



and other fraud-based contractual claims related to the Tamimi subcontract. All of these fraud claims are derived from allegations that Tamimi Global Company Limited's ("Tamimi") chief of operations and vice president bribed two former KBR employees in exchange for Tamimi receiving subcontracts from KBR in Iraq, including the subcontract that is the subject of the arbitration award sought to be enforced in this case, known as Master Agreement 3 Work Release 3 ("MA3 WR3"). In fact, the dispute at the heart of the COFC Litigation between KBR and the Government pertains to KBR's entitlement to costs under its contract with the Government for the exact same MA3 WR3 transactions for which KBR withheld sums from Tamimi, and for which Tamimi pursued arbitration against KBR, resulting in the arbitration award Tamimi now seeks to enforce.<sup>2</sup>

While KBR intends to vigorously defend against the Government's Counterclaims in the COFC Litigation, KBR faces significant potential liability in that case derived from the fraud allegations directly implicating Tamimi. Indeed, the Government's Counterclaims are broad in scope and dollars -- the Government alleges in excess of \$600 million in damages. Simply put, Tamimi should not be allowed to benefit from its alleged fraud and walk away with \$35 million, plus interest, fees and costs, in this proceeding, while KBR is facing hundreds of millions of dollars in potential damages in the COFC Litigation stemming from allegations that Tamimi committed fraud.

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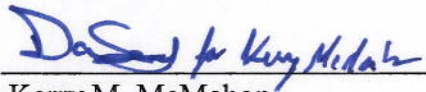
<sup>2</sup> Tamimi's letter addressed to the Court dated March 16, 2011 wrongly states that the COFC Litigation does not pertain to the identical subcontract transactions at issue in the arbitration award enforcement proceeding. Indeed, the arbitration award expressly refutes this statement. *See* arbitration award attached as Exhibit B to Tamimi's Petition to Confirm Foreign Arbitration Award ("Petition"), Instr. #1, at p. 3-9 (outlining facts regarding MA3 WR3 subcontract dispute), and p. 9-19 (arbitration panel's interpretation of MA 3 WR3 subcontract terms regarding KBR's withhold of dollars from Tamimi). The Complaint KBR filed in the COFC Litigation also refutes this statement. *See* KBR's complaint attached as Exhibit 2 to KBR's Motion to Stay Proceedings, Instr. #11, at p. 7-15.

In light of the substantial Government Counterclaims in the COFC Litigation based on fraudulent acts allegedly perpetrated by Tamimi, KBR would be significantly prejudiced if the Court did not stay these proceedings pending the resolution of the fraud claims in the COFC Litigation. The Government's Counterclaims in the COFC Litigation alleging fraudulent acts by Tamimi pertaining to the subcontract at issue in Tamimi's enforcement proceeding, therefore, provide more than sufficient justification for this Court to grant KBR's pending Motion to Stay the Proceedings. In the event, however, the Court needs additional information regarding KBR's pending Motion to Stay the Proceedings, KBR is of course available at the Court's convenience for oral argument.

Dated: March 17, 2011.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that on the 17 day of March, 2011, a true and complete copy of the foregoing **RESPONDENT'S SUPPLEMENTAL SUBMISSION PURSUANT TO COURT'S MARCH 9, 2011 ORDER RELATED TO RESPONDENT'S PARTIALLY OPPOSED MOTION TO STAY PROCEEDINGS** was served via facsimile and was electronically filed with the Clerk of Court using the CM/ECF system which will send notification of such filing to the following individuals at the following electronic mail address:

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